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Industrial Development Board

Twenty-seventh session

SUMMARY RECORD OF THE 1st MEETING

Held at the Vienna International Centre, Vienna,
on Tuesday, 26 August 2003, at 10 a.m.

Temporary President: Mr. HORVATH (Hungary)
President: Mr. GONZALEZ ANINAT (Chile)

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The meeting was called to order at 10.25 a.m.

OPENING OF THE SESSION

1. **The TEMPORARY PRESIDENT** declared open the twenty-seventh session of the Industrial Development Board.

2. *At the invitation of the Temporary President, the members of the Board observed a minute of silence in memory of the United Nations staff who had lost their lives in the bombing of the United Nations headquarters in Baghdad.*

3. **The TEMPORARY PRESIDENT** said that it had been an honour for him to preside over the twenty-fifth and twenty-sixth sessions of the Board, which had coincided with a period of increased stability for the Organization after four years of reform. He welcomed the trend towards alignment of the Organization's activities with global initiatives such as the establishment of the United Nations Millennium Development Goals. He also welcomed the efforts made by Member States and the Director-General to increase the Organization's relevance and improve its performance through, for example, the adoption at the twenty-sixth session of the strategic guidelines for the medium-term programme framework (MTPF). He was also pleased to note the participation of many Member States in the ongoing informal discussions on a number of issues and the guiding role played by the Director-General in that regard.

ELECTION OF OFFICERS

4. **The TEMPORARY PRESIDENT** said that he had received the following nominations: Mr. R. González Aninat (Chile) for the post of President; Mr. H. El-Laithy (Egypt), Mr. T. P. Sreenivasan (India) and Ms. M. Ramis-Plum (France) for the posts of Vice-President; and Mr. P. Poptchev (Bulgaria) for the post of Rapporteur.

5. *The candidates were elected by acclamation.*

6. *The President took the Chair.*

ADOPTION OF THE AGENDA (IDB.27/1 and Add.1; IDB.27/CRP.1)

7. *The provisional agenda (IDB.27/1) was adopted.*

STATEMENTS BY THE DIRECTOR-GENERAL AND MANAGING DIRECTORS

8. **Mr. MAGARIÑOS** (Director-General) congratulated the President and the other members of the Bureau on their election and expressed his gratitude to the departing President and Bureau for their constructive work. He also welcomed the Ministers from Burkina Faso, Côte d'Ivoire, Ghana and Sri Lanka and the Secretary for Industrial Policy and Promotion of India; their active participation would greatly benefit the Board's deliberations.

9. During the discussions at the nineteenth session of the Programme and Budget Committee, he had explained the relationship between the regular and operational budgets and voluntary contributions for technical cooperation activities, and elaborated on how the Organization had improved technical cooperation delivery. Analysis showed that the ratio between each dollar or euro approved under the regular and operational budgets and actual technical cooperation delivery, including support costs, had improved from 1.01 in 1994-1995 to 0.70 in 2002-2003. Furthermore, that ratio compared favourably with those of a number of other international organizations. However, the ratio needed to be further improved, and the only two options for achieving that end were to reduce the regular budget further or to increase voluntary contributions. He was pleased to note that the Programme and Budget Committee had decided against budget cuts and had recommended that the Board adopt the programme and budgets for 2004-2005 contained in document IDB.27/3. It was also gratifying that his Office had been entrusted with identifying possible savings and efficiency gains, without the need to produce a revised programme and budget document. He and his staff would continue their efforts to improve technical cooperation delivery in both quantitative and qualitative terms.

10. Technical cooperation delivery for the seven months up to the end of July 2003 had amounted to US$ 66.1 million, an increase of US$ 9.6 million compared with the same period in 2002 and the highest rate of delivery for several years. Thanks to the dedication of the Secretariat and Member States and the contributions received from donors, there was a good chance that the implementation target of US$ 90 million for the whole of 2003 would be reached. That would represent an increase of US$ 8.2 million compared with to 2002.

11. The improvement in the quality of technical cooperation programmes had led to an increase in voluntary contributions: net approvals from governmental funds had doubled since 1998, and net approvals from multilateral sources had also increased considerably over the same period. That was evidence of the donor community's renewed commitment to the work of UNIDO and the success of the reform of the Organization. However, additional funding would be required in order to increase the socio-economic impact of UNIDO activities at the field level, focus more closely on the least developed countries (LDCs) and enhance the Organization's contribution towards achieving the Millennium Development Goals. An informal consultative group, chaired by the

Ambassadors of India and Italy, in which all Member States were free to participate, had recently been established with a view to mobilizing additional funds for the Organization and enlarging its membership. The group had held its first meeting on 31 July 2003.

12. The financial and administrative performance of the Organization continued to be sound. The collection rate for assessed contributions as at 15 August 2003 had amounted to almost 90 per cent of total receivables, which meant that the record rate of 93.1 per cent achieved for the whole of 2002 might be equalled in 2003.

13. Turning to the question of human resources, he noted that more than 40 Professional and higher-level staff were due to leave the Organization through natural attrition in the coming few years. A concerted recruitment drive was under way to attract motivated staff of the highest calibre to a number of senior positions.

14. One of the first tasks carried out by the newly established Office of the Comptroller-General had been a review of the types of contract issued by UNIDO for staff appointed at Headquarters. In view of the current drive to speed up the selection and recruitment process and enhance its transparency, ensure uniformity of contractual status for all staff at Headquarters and improve staff career development, he had accepted the Comptroller-General's recommendation that no further contracts at Headquarters should be issued under the 200 series (the so-called "L contracts") or the 300 series (appointments of limited duration) of the Staff Rules. Instructions to that effect were being issued and the necessary changes would be made to the relevant rules. Existing contractual obligations, however, would be respected and there would be a transition period during which a management review would be carried out to determine which functions currently performed by staff appointed under the 200 and 300 series at Headquarters would be required in the future. Relevant positions would be advertised under the 100 series of the Staff Rules, subject to the availability of budgetary resources.

15. In view of the Organization's high level of performance with regard to administrative and financial matters, he appealed to Board members to focus their deliberations at the current session on substantive and programmatic issues. Work was proceeding on several fronts to expand the services provided by UNIDO, improve their quality and enhance their relevance and impact. First, efforts were being made to focus more closely on areas where the Organization had particular expertise and comparative advantage. Secondly, links between global forum and technical cooperation activities were being improved. Thirdly, a number of options for achieving cost-effective decentralization were being reviewed in order to enhance the impact of services at the field level.

16. Those topics were being addressed by the three Managing Directors, together with a number of senior staff. The Managing Directors, who had almost completed their first year with the Organization, would subsequently be presenting their overviews of the past year and also reporting on the current status of the three "commissions" (working groups) they had been chairing, which had been established after the Board of Directors retreat in February 2003. Another retreat was planned for September 2003, where the Managing Directors would present the conclusions and recommendations of the commissions. He would be glad to share the outcome of the retreat with Board members.

17. He believed that, after so much discussion of administrative and financial issues, more time should be devoted to substantive discussions on how to focus UNIDO's programmes better. He would therefore be offering a number of luncheons during the Board session, at the first of which the Organization's programmes in West Africa would be discussed. He wished to seek the advice of members on how to address current problems together with Ministers from the region and development partners. The following day he would be offering a lunch to review a programme being developed by Peru and developing country partners in the Andean region. At a luncheon on trade-related issues on the last day of the session, programmes in various regions would be presented. One point that needed consideration concerned agro-industries; although these were stressed in the strategic guidelines "Towards improved UNIDO programme delivery" (see decision IDB.26/Dec.7 in document GC.10/3) and in the 1997 Business Plan on the Role and Functions of UNIDO, the technical cooperation delivery of UNIDO in the agro-industry sector amounted to less than 5 per cent of its total delivery. He would like to discuss ways of attracting more funding to activities in that field, bearing in mind, for example, the expected impact of biotechnology.

18. He welcomed Timor Leste as the 171st Member State of UNIDO.

19. **Mr. FORNOCALDO** (Managing Director, Division of Administration) said that, thanks to constructive dialogue with Member States and their commitment to pay assessed contributions on time, rates of collection of assessed contributions had reached a seven-year high by mid-August 2003, showing a substantial increase over the previous two years. However, the rates were highly differentiated as between groups. During the reference period, December 1998 to December 2002, collection rates for the countries in the Western Europe and Others Group

(Group B) had increased to 100 per cent; rates for Eastern Europe (Group D) had increased sharply from 15 to 90 per cent; rates for Africa, Asia and the Pacific (Group A) had recorded a steady rise from 53 to 89 per cent; and rates for Latin America and the Caribbean (Group C) had stagnated. As at 15 August 2003, collection rates stood at 99 per cent, 88 per cent, 75 per cent and 16 per cent respectively. On the same date, outstanding contributions amounted to 117 million euros including the arrears of the United States of America, and to 48 million euros excluding those arrears. There were strong hopes that the informal consultative group on funds mobilization would work out a strategy to enlarge the Organization's membership and secure payment of arrears.

20. The rise in collection rates had led to a substantial decline in the number of countries without voting rights between 1999 and 2003: from 67 to 51 for the General Conference, from 6 to 2 for the Industrial Development Board and from 4 to 1 for the Programme and Budget Committee.

21. As the level of expenditure was maintained below the collection rate, cash flow always showed a positive balance. Regular monthly increases in expenditure levels were strictly controlled so that the cumulative collection level was never exceeded. At each year-end, the Organization had been capable of meeting all expenditure targets. The goal was to preserve the same financial soundness in the next biennium.

22. The monthly cash balance for total resources, including extrabudgetary resources, fluctuated between 180 million and 240 million euros and was invested with reputable financial institutions. Returns over the previous 18 months compared favourably with market rates.

23. The Human Resources Management Framework had played a fundamental role in the Organization's performance. The first phase had focused on employment stability and the second on career growth. Campaigns over the previous two years to recruit more staff from developing countries and LDCs had led to an increase in staff from Asia and the Pacific and Africa. The level of staff from the Western Europe and Others Group had remained constant and that from non-member States had decreased. The representation of women in managerial positions had increased: women had accounted for 41 per cent of the total recruitment of managers between May 2001 and May 2003. There had been an increase in women Professional staff from Asia and the Pacific, Africa, Eastern Europe and the newly independent States, a decrease in such staff from the Western Europe and Others Group due to natural attrition, and an unchanged trend in Latin America and the Caribbean. The Organization would continue to pursue its proactive gender policy.

24. Under the second phase of the Human Resources Management Framework, 227 staff members had been promoted over the past three and a half years.

25. Efforts were being made to improve linkages between global forum and technical cooperation activities to ensure that UNIDO's programmes remained state-of-the-art. The working group that had been set up on that issue was likely to recommend measures to improve flows of information from and to the global forum activities, a sharper definition of global forum goals in order to align activities with priorities and fine-tuning of procedures to make global forum activities more results-oriented.

26. **Ms. HIROSE** (Managing Director, Programme Coordination and Field Operations Division) said that her Division had launched an integrated programme (IP) and country service framework (CSP) adjustment exercise to make programmes more relevant and focused. In consultation with Member States, 25 IPs were being modified: first-generation programmes were being moved from phase I to phase II and other programmes were being refocused in the light of experience or adjusted to changed circumstances. Six in-depth evaluations had been carried out and five more were planned. A round table was being held that day to discuss activities in the West African region.

27. To assess the impact of UNIDO programme activities, the Division had developed an approach that could be used to diagnose, evaluate and report industrial performance and impact at the national level. It was assumed that if industrial governance created an appropriate environment and industrial institutions and support systems met the demands of the industrial sector, industrial capabilities and the country's aggregate industrial performance would improve. The approach developed used core indicators to benchmark and compare performance over time and focused on five key structural influences on industrial performance, known as "performance drivers". The exercise had proved to be complex, but efforts were under way to improve the methodology.

28. Turning to the question of decentralization, she said that progress was being made in improving networking and cooperation among decentralized units and with Headquarters. The Organization's 29 field offices were being adjusted in the light of programme delivery needs in the regions. A total of 114 regular posts would be located in the field by January 2004. Maintaining the requisite number of offices within budgetary constraints presented a challenge, but field operations remained a key issue throughout the United Nations system. Closer links were needed at the field level with both Member States and UNIDO's international partners to enhance the relevance and boost the implementation of its programmes.

29. In March 2003, the Director-General had approved the transfer of project allotment documents (PADs), and hence of financial authority and responsibility, to the Regional Bureau for Latin America and the Caribbean and the Regional Bureau for Europe, as well as to six UNIDO Representatives who were team leaders. Although difficulties had been encountered and further fine-tuning was required, programme coordination and in-house collaboration had improved. There were plans to further develop such delegation of authority.

30. Commission III had been asked to consider the field office network and ways of transferring authority to the field. Its draft report was being submitted to the Director-General for review and would be discussed with the UNIDO Representatives from Latin America and Asia at a meeting in September 2003.

31. She counted on the support and interest of Member States in the implementation of what had proved to be a difficult process.

32. **Mr. RWENDEIRE** (Managing Director, Programme Development and Technical Cooperation Division) said that, during the past year, one of the tasks of his Division had been to redefine UNIDO's interventions so as to ensure that their impact matched expectations. That had been done in the context of the Millennium Development Goals of eradicating extreme poverty and hunger (Goal 1), developing a global partnership for development (8), ensuring environmental sustainability (7) and promoting gender equality and empowering women (3). There were four basic areas for UNIDO's interventions. The first two related to capacity-building: the first of those concerned entrepreneurship and private-sector development, while the second concerned industrial competitiveness and efforts to enable developing countries to become significant players in international trade. The third and fourth areas were the promotion of technology transfer and the management of technology diffusion respectively. Each of the four areas had been examined in depth with a view to increasing the relevance of UNIDO's programmes.

33. In connection with capacity-building relating to entrepreneurship and private sector development, export competitiveness was the ultimate target, and a dynamic private sector was seen as the long-term engine of growth. Consideration must be given to the development of entrepreneurial skills, national industrial policies, institutional support systems and incentive schemes for the private sector. Most of UNIDO's programmes, whether in the area of cleaner production, agro-industry or small and medium-sized enterprises, would need to be reviewed in that light. In connection with capacity-building for industrial competitiveness, many of the least developed countries had constraints in terms of supply capacity. There was also the problem of technical barriers to trade, and countries needed to develop capacity in that regard. Some lessons could be learned from programmes already implemented, such as the assistance provided by UNIDO experts in the upgrading of inspection systems and laboratories in African countries so that fish exports would meet the standards required by the international market.

34. With regard to the promotion of technology transfer, technology could be transferred either directly or through foreign direct investment. Technology transfer gave developing countries a broader range of technologies to choose from to deal with a particular programme in a given area. The environmental soundness of technology was critical, and technology transfer must raise levels of productivity and competitiveness. Environmental projects accounted for an important share of UNIDO cooperation, but the key issue that had emerged during the review of UNIDO's interventions was that technology transfer must go hand in hand with technology diffusion—in other words, once it had been transferred technology should not be left sitting on the factory shelf. In that connection, national research and development systems needed attention.

35. The review of UNIDO's interventions was almost complete and its results would be presented at the forthcoming retreat. Nonetheless, further work lay ahead, particularly to improve the linkage between the decentralization process and the revitalization of programmes. Information and communication technology was of key importance in that regard. Staff profiles would also need to be realigned to ensure that interventions had the desired impact.

STATEMENT BY THE PRESIDENT

36. **The PRESIDENT** said that it was a privilege to preside over the current session of the Board—the last before the tenth session of the General Conference. He urged all delegations to seek to convince their Governments of the need to be represented at the highest level at that session. Given the current international climate marked by severe tensions and wide differences of view, there was a greater need than ever to highlight the importance of multilateralism. Notwithstanding the technical nature of the Board, it was important that two basic concepts should be borne in mind during the current session. The first was what was said in the United Nations Millennium Declaration about the obligations of international organizations and the international community regarding development and the eradication of poverty. The second was the need to incorporate science and technology in policies targeting the areas identified in the Millennium Declaration. Confidence-building measures were needed in the technological and scientific spheres. The great potential offered by organizations like UNIDO should be

harnessed; international cooperation, in the framework of strengthened multilateralism, would make it possible to rise to the challenges posed by the current international climate.

STATEMENTS BY MINISTERS

37. **Mr. OUATTARA** (Minister of Commerce, Enterprise Promotion and Handicrafts of Burkina Faso) began by offering his condolences to the United Nations and the families of the victims in the tragic bombing of the United Nations headquarters in Baghdad on 19 August 2003.

38. All were aware of the potential role of industrial development in sustainable development and the fight against poverty. While he welcomed the integrated programmes initiative, which constituted a response to the many problems facing the industrial sector in developing countries, the current situation regarding the funding of the integrated programmes was disappointing. In the case of Burkina Faso—chosen by UNIDO as a pilot country—lack of funds had forced some important activities planned to be cut back. Notwithstanding, impressive results had been obtained and several pilot units had been set up in such areas as the processing of animal husbandry products, fruit and vegetables, leather goods and the protection of the environment. Activities had been undertaken in the field of quality and certification, including training on food security and standardization. Support had also been provided for the establishment of a standardization structure and for networking among laboratories. Of particular note was the successful investment promotion forum organized by Burkina Faso in June 2001, with UNIDO assistance, in which around 250 national and foreign investors had participated. It would undoubtedly result in the establishment of new partnerships.

39. Those activities had been made possible through voluntary contributions from such Member States as Austria, Belgium, Denmark and Luxembourg, as well as inputs from beneficiaries on the basis of the cost-sharing principle. He was pleased with the results achieved and hoped that the recent in-depth evaluation of the programme would help to consolidate them. Much work remained to be done and more resources needed to be mobilized. He appealed for increased voluntary contributions and urged UNIDO to pursue its fund mobilization efforts with potential donors. Burkina Faso, for its part, would do its utmost to seek supplementary funding for the programme.

40. The current session was being held in a relatively serene atmosphere thanks to the reforms introduced in UNIDO. However, to make such reforms a success, the international community must support the Organization with the necessary funding. If the Board's assessment of UNIDO's new vision and of the strategic guidelines adopted at the twenty-sixth session confirmed their validity, ways and means would need to be found to mobilize the resources required to meet the objectives. As a first step, each Member State should pay its contributions on a regular basis, to enhance the independence and credibility of the Organization.

41. **Mr. AHOUSSOU KOUADIO** (Minister for Industry and Private Sector Development of Côte d'Ivoire) said that he had been unable to attend the twenty-sixth session of the Board because of the war that had just erupted in his country. Now, happily, the peace process was getting under way. Following the conclusion of a peace agreement in Linas-Marcoussis, France, a ceasefire had been signed on 3 May 2003 and the belligerent parties had officially declared the end of the war on 4 July 2003. Relations with neighbouring countries were returning to normal and an amnesty law had been adopted by the National Assembly on 6 August 2003. Further work was required before stability was restored in Côte d'Ivoire, but with the good will of all political players it was certainly achievable.

42. The Government of National Reconciliation was undertaking a policy of economic reconstruction. The country's industrial fabric and its private sector had been hard hit by the crisis. However, Côte d'Ivoire's strategic location and resources gave every reason to hope for swift economic recovery. UNIDO must pursue its cooperation with Côte d'Ivoire, which required its assistance more than ever before. Requests had been submitted to the Director-General in connection with projects under way relating, inter alia to: the formulation of industrial policy; standardization, accreditation and quality promotion; development of technology; promotion of entrepreneurship among women; development of enterprises for the reintegration of former members of the rebel forces. New areas of interest were the creation of free zones and the establishment of an information platform for enterprises called "Cyberindustrie". Côte d'Ivoire knew that it could count on the support of the Secretariat and Member States in continuing the growth process which had been interrupted. He expressed gratitude for the attention paid to his country through the Integrated Programme for Sustainable Private Sector Development and the Alliance for Africa's Industrialization, and appealed for further assistance.

43. Turning to the items on the Board's agenda, he said that the clear improvement in UNIDO's financial situation attested to the efforts of the Secretariat to ensure that contributions were collected in full and on time, and to the Organization's endeavours to regain the trust of Member States through financial and administrative reforms.

44. With regard to the medium-term programme framework, 2004-2007, Côte d'Ivoire would urge

UNIDO to adapt the range of its services and their means of delivery to the changing needs of recipient countries as far as industrial development was concerned. The strategic guidelines agreed upon at the last session should be taken fully into account. Adequate human and financial resources also needed to be provided for the Organization's decentralized entities.

45. UNIDO was to be commended for its new initiatives. His country particularly welcomed the initiative aimed at assisting countries or regional groups in developing material and institutional capacities to ensure that their export products met the technical requirements of the multilateral commercial system. He thanked the European Union for its financial assistance for the project being undertaken to meet the basic needs of the Member States of the West African Economic and Monetary Union (WAEMU), and welcomed Japan's contribution to the promotion of Asian investment in Africa.

46. His delegation also supported the Secretariat's initiative on technology transfer launched at the 2002 World Summit on Sustainable Development, and looked forward to its swift implementation. He commended those States that made voluntary contributions enabling UNIDO to implement its technical cooperation programmes successfully, and to implement the new initiatives.

47. His Government was committed to international industrial cooperation and to the future of UNIDO.

48. **Mr. BOGOLLAGAMA** (Minister of Industries of Sri Lanka) said that the integrated programme for his country was one of the first to have been launched by UNIDO, and the second largest in terms of UNIDO funding. It was also one of the first programmes to have been evaluated. Sri Lanka was ideally suited for testing the validity of the integrated approach—it was a small country with significant potential for growth through industrialization and one which aspired to become a middle-income country and to achieve the status of a "newly industrialized country" in the current decade.

49. If the UNIDO initiative was to succeed, the beneficiary Government must take ownership of the programme, and private sector institutions should become active stakeholders. Sri Lanka had shifted from a culture based on State enterprise to a market-oriented one, friendly to the private sector. Two donor conferences had been held for the Sri Lanka programme, and an unprecedented sum had been pledged for the next four years. A significant part of that amount would be used to reconstruct areas ravaged by war and provide humanitarian assistance. For peace to be sustainable, issues relating to economic growth and employment had to be addressed, and further support from UNIDO and other donors was required. The Governments of Norway and Japan and other donor countries were to be commended for their financial contributions to the Sri Lankan programme. If the current trend continued, the Sri Lankan programme could become the largest UNIDO programme.

50. Industrialization should be viewed as a mechanism for creating income opportunities for the majority of the population in a country, but in many developing countries, including his own, industries were concentrated in urban areas, and industrialization was confined to a limited area. For example, seventy-five per cent of the industrial units in Sri Lanka were located in the vicinity of the capital, Colombo. Past policies had led to imbalances in resource allocation in developing countries. Although private foreign investment and large-scale industries were essential for industrialization in any country, the role of small and medium industries (SMIs) in generating employment and income opportunities should not be underestimated. If large-scale industries continued to be favoured, the benefits of industrialization would be reaped by a small sector of the population only. The current policy on industrialization should therefore be reviewed with a view to promoting small and medium enterprises, and conditions should be created for that sector to flourish. Five regional economic commissions had been set up in Sri Lanka to deal with aspects related to small- and medium-sized industries, and a regional industrialization programme had been created. The Dirigamana incubator project sought to take industries to regions and promote SMIs. It offered a range of services to young entrepreneurs with a view to ensuring the viability of new industries. It was expected to develop effective links between small or medium enterprises in regions and large-scale producers and distributors.

51. UNIDO's efforts and programmes had to be viewed within the wider context of the global development debate. The Fourth Ministerial Conference of the World Trade Organization, held in Doha in November 2001, had raised many concerns affecting developing countries, and attention had been drawn to the fact that globalization brought not only opportunities for development but also the threat of marginalization. He was pleased that that issue was now being discussed in many international agencies.

52. As a country exporting to global markets, Sri Lanka had been faced with technical barriers to trade, with exporters having to submit evidence of compliance with international standards. Five internationally accredited testing laboratories and a proven national system complying with the international environment management system ISO 14000 had been established the previous year with the support of

UNIDO and the Norwegian Agency for International Development (NORAD). He fully endorsed the new trust fund that UNIDO had set up to support capacity development for trade facilitation, and hoped that the donor community would contribute.

53. He wished to conclude by thanking UNIDO, the donors and the integrated programme team for the excellent inputs provided. The Sri Lankan programme had had a major impact in a short period of time and the challenge ahead was to make the programme a complete success. He therefore urged UNIDO and the donor community to provide further funding with a view to achieving the goals set.

54. **Mr. KYEREMATEN** (Minister of Trade and Industry of Ghana) said that he hoped to intensify the relationship between Ghana and UNIDO. His Government was determined to reduce poverty and hoped to achieve middle-income status for Ghana by 2010. It was fully committed to the integrated programme and had appreciated the Director-General's visit to Ghana in March. Significant results had already been achieved in areas including investment promotion, quality improvement in food production, agricultural machinery and industrial systems. The integrated programme had also complemented some of the projects associated with the Ghanaian President's special initiatives in areas including industrial starch produced from cassava, garments and textiles and handicrafts.

55. Collaboration between UNIDO and Member States should be strengthened to enable programmes initiated by both parties to be sustained. Member States must pay their assessed contributions regularly and on time. Ghana, despite financial constraints, had taken steps to honour its financial obligations to the Organization.

56. The integrated programme had helped to strengthen his Government's accelerated growth programme and underpinned two core strategies—namely, the development of an export-oriented industrialization drive focusing primarily on agro-processing and on other manufacturing activities, and an industrialization drive oriented towards the domestic market. Those strategies were being implemented through a number of programmes, including the establishment of a rural enterprise development programme, a technology improvement programme aimed at raising productivity and competitiveness, education and training for the industrial development programme and the establishment of an integrated metalworking and machine tool centre to support Ghana's industrialization efforts. An export development and investment fund had also been established.

57. It was to be hoped that UNIDO would continue to offer its support and assistance through the integrated programme, and would also review the forms of assistance it provided in the light of current policies and programmes in Ghana.

The meeting rose at 12.35 p.m.